

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS:	WELL LOG	ELECTRIC LOGS	FILE <input checked="" type="checkbox"/>	WATER SANDS	LOCATION INSPECT	SUB. REPORT/abd
00817 LAD, eff 8-11-00;						
DATE FILED	APRIL 3, 1998					
LAND: FEE & PATENTED	STATE LEASE NO.		PUBLIC LEASE NO		U-75038 INDIAN	
DRILLING APPROVED:	JUNE 10, 1998					
SPUDDED IN:						
COMPLETED:	PUT TO PRODUCING:					
INITIAL PRODUCTION:						
GRAVITY A.P.I.						
GOR.						
PRODUCING ZONES:						
TOTAL DEPTH:						
WELL ELEVATION:						
DATE ABANDONED:	LAD 8-11-00					
FIELD:	MONUMENT BUTTE					
UNIT:						
COUNTY:	DUCHESNE					
WELL NO.	CASTLE DRAW 3-4-9-17					
LOCATION	811 FNL	FT. FROM (N) (S) LINE,	2267 FWL	FT. FROM (E) (W) LINE.	API NO. 43-013-32073	NE NW
					1/4 - 1/4 SEC.	4
TWP	RGE	SEC.	OPERATOR			
9S	17E	4	INLAND PRODUCTION			

(December 1990)

(Other instructions on
reverse side)Budget Bureau No. 1004-0136
Expires December 31, 1991

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK **DRILL** ☒ **DEEPEN** ☐
 1b. TYPE OF WELL
 OIL ☐ GAS ☐ SINGLE ☐ MULTIPLE ☐
 WELL ☒ WELL ☐ OTHER ☐ ZONE ☐ ZONE ☐

2. NAME OF OPERATOR
Inland Production Company

3. ADDRESS OF OPERATOR
P.O. Box 790233 Vernal, UT 84079 Phone: (801) 789-1866

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At Surface **NE/NW Lot 3**
 At proposed Prod. Zone **810.6' FNL & 2266.7' FWL**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
13.8 Miles southeast of Myton, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY
 OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
810.6'

16. NO. OF ACRES IN LEASE
815.31

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL,
 DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.

19. PROPOSED DEPTH
6500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5130.3' GR

22. APPROX. DATE WORK WILL START*
2nd Quarter 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
Refer to Monument Butte Field SOP's Drilling Program/Casing Design				

The Conditions of Approval For Application For Permit To Drill are attached.

**RECEIVED
APR 01 1998**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.
 If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. **Regulatory**
 SIGNED *Cheryl Cameron* TITLE **Compliance Specialist** DATE **3/26/98**
Cheryl Cameron

(This space for Federal or State office use)

PERMIT NO. **NOTICE OF APPROVAL** APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *Howard B. Clavette* TITLE **Assistant Field Manager** DATE **7/21/98**
Mineral Resources

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY**

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Castle Draw 3-4-9-17

API Number: 43-013-32073

Lease Number: U-75038

Location: NENW Sec. 04 T. 09S R. 17E

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

SURFACE USE PROGRAM
Conditions of Approval (COA)
Inland Production Company - Well #3-4-9-17

Location Reclamation

The following seed mixture will be used on the stock piled topsoil, reclamation of the reserve pit and for final reclamation: (All poundages are in Pure Live Seed)

nuttalls saltbush	Atriplex nuttallii v. cuneata	3 lbs/acre
shadscale	Atriplex confertifolia	3 lbs/acre
fourwing saltbush	Atriplex canescens	4 lbs/acre
western wheatgrass	Agropyron smithii	2 lbs/acre

The location topsoil pile shall be seeded immediately after site construction by broadcasting the seed, then walking the topsoil pile with the dozer to plant the seed.

The reserve pit shall have a small amount of topsoil stock piled near by, not shown on the cut sheet, to be used to spread over the reserve pit area at the time the reserve pit is reclaimed.

At the time of final abandonment the location and access will be recontoured to natural topography and topsoil spread over the area and the surface seeded immediately. If the previously reclaimed surface of the reserve pit needs additional contouring, the topsoil over the pit will be scraped off and then used as additional topsoil for final reclamation.

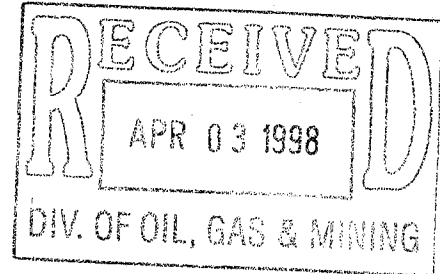


RESOURCES INC.

April 1, 1998

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

**ATTENTION: Ed Forsman
Wayne Bankert**



Gentlemen:

Enclosed are the originals and two copies (each) of the Application For Permit To Drill, with the attached Conditions of Approval(s), and the Archaeological Cultural Survey Report for each, for the following locations:

Castle Draw 2-4-9-17
Castle Draw 3-4-9-17
Castle Draw 5-4-9-17
Castle Draw 8-4-9-17
Castle Draw 10-4-9-17
Castle Draw 12-4-9-17
Pleasant Valley 7-9-9-17

Castle Draw 1-9-9-17
Castle Draw 8-9-9-17
Castle Draw 6-4-9-17
Castle Draw 9-4-9-17
Castle Draw 11-4-9-17
Castle Draw 15-4-9-17

Please contact me in the Vernal Branch office (801) 789-1866, if you have any questions, or need additional information.

Sincerely,

Cheryl Cameron

Regulatory Compliance Specialist

State of Utah
Division of Oil Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-75038
1b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Inland Production Company		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P.O. Box 790233 Vernal, UT 84079 Phone: (801) 789-1866		8. FARM OR LEASE NAME Castle Draw
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At Surface NE/NW At proposed Prod. Zone 810.6' FNL & 2266.7' FWL 247 691		9. WELL NO. #3-4-9-17
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 13.8 Miles southeast of Myton, Utah		10. FIELD AND POOL OR WILDCAT Monument Butte
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 810.6'	16. NO. OF ACRES IN LEASE 815.31	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 4, T9S, R17E
17. NO. OF ACRES ASSIGNED TO THIS WELL 40	18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.	12. County Duchesne
19. PROPOSED DEPTH 6500'	20. ROTARY OR CABLE TOOLS Rotary	13. STATE UT
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5130.3' GR		22. APPROX. DATE WORK WILL START* 2nd Quarter 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
Refer to Monument Butte Field SOP's Drilling Program/Casing Design				

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If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Cheryl Cameron* TITLE **Regulatory Compliance Specialist** DATE **3/26/98**
Cheryl Cameron

(This space for Federal or State office use)

PERMIT NO. **43-013-32073** APPROVAL DATE _____

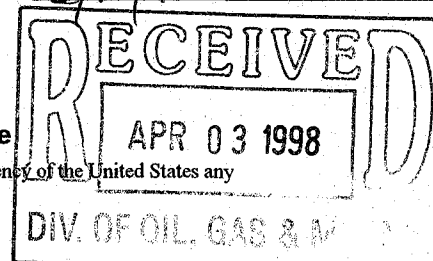
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY: **Federal Approval of this Action is Necessary**

APPROVED BY *Bradley G. Hill* TITLE **BRADLEY G. HILL RECLAMATION SPECIALIST** DATE **6/10/98**

***See Instructions On Reverse Side**

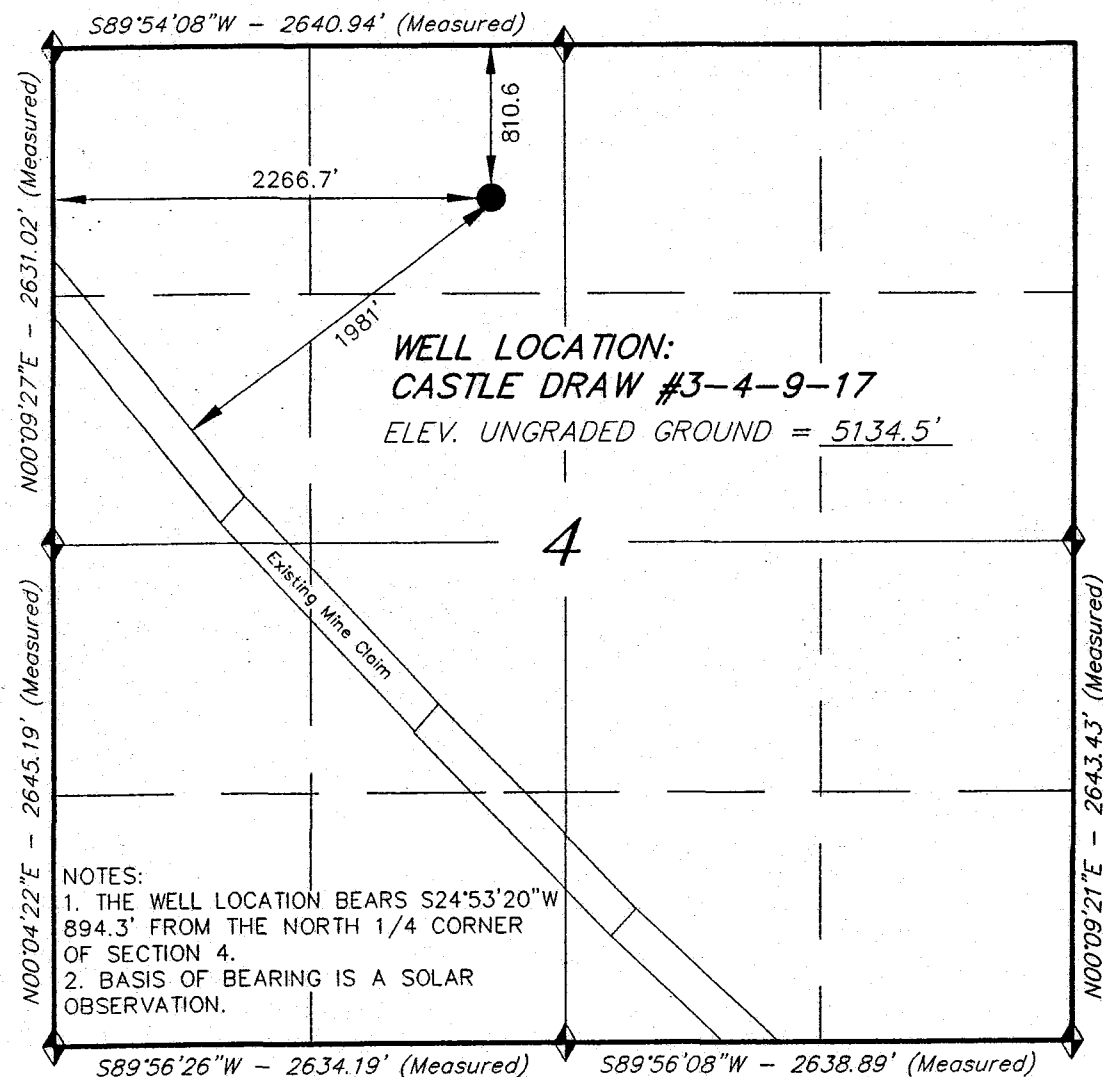
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



T9S, R17E, S.L.B.&M.

INLAND PRODUCTION COMPANY

WELL LOCATION, CASTLE DRAW
#3-4-9-17, LOCATED AS SHOWN IN THE
NE 1/4 NW 1/4 OF SECTION 4, T9S,
R17E, S.L.B.&M. DUCHESNE COUNTY,
UTAH.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION No. 189377
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078
(801) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: DS NW
DATE: 3/12/98	WEATHER:
NOTES:	FILE # 3-4

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (MYTON SE)

AFFIDAVIT

STATE OF COLORADO)
) ss.


CITY AND COUNTY OF DENVER

Re: Castle Draw 3-4
T9S, R17E, S.L.M.
Sec. 4: 810.6' FNL, 2.266.7' FWL

The, undersigned, Chris A Potter as Attorney-in-Fact for Inland Production Company, of 410 17th Street, Suite 700, Denver, Colorado 80202, of lawful age, being first duly sworn on his oath desposes and says: That in accordance with Rule 649-3-3 of the Oil and Gas Conservation General Rules, Utah Division of Oil, Gas and Mining, I caused to be conducted a search of the pertinent land records of Duchesne County and the Bureau of Land Management involving all lands within a 460' radius of the above captioned location. Inland Production Company is the only lessee within this radius and the United States of America is the sole mineral owner.

Further affiant saith not.

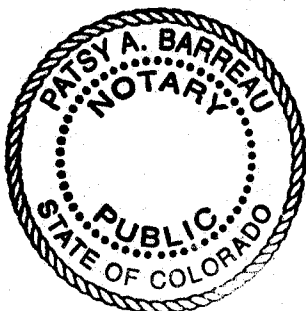
INLAND PRODUCTION
COMPANY


Chris A Potter
Attorney-in-Fact

Subscribed and sworn to before me this 4th day of June, 1998.

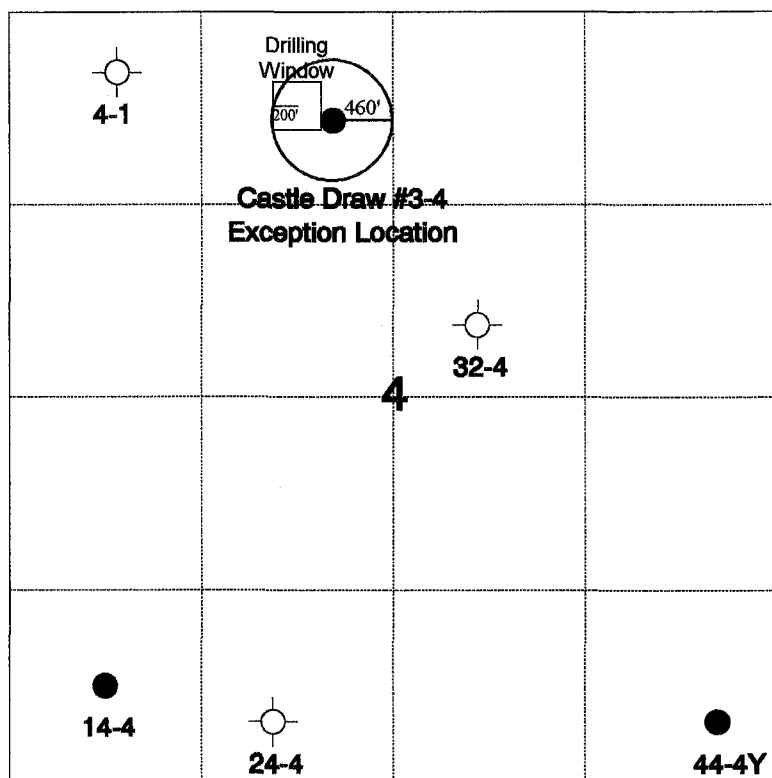
My commission expires:

Patsy A. Barreau
Notary Public:



My Commission Expires 11/14/2000

Inland Production Company



Township 9 South, Range 17 East, SLM
Section 4

**INLAND PRODUCTION COMPANY
CASTLE DRAW #3-4-9-17
NE/NW SECTION 4, T9S, R17E
DUCHESNE COUNTY, UTAH**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Uinta	0' – 1560'
Green River	1560'
Wasatch	6500'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Green River Formation 1560' – 6500' - Oil

4. PROPOSED CASING PROGRAM

Please refer to the Monument Butte Field Standard Operation Procedure (SOP).

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Please refer to the Monument Butte Field SOP. See Exhibit "F".

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

Please refer to the Monument Butte Field SOP.

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

Please refer to the Monument Butte Field SOP.

8. TESTING, LOGGING AND CORING PROGRAMS:

Please refer to the Monument Butte Field SOP.

9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:

The anticipated maximum bottom hole pressure is 1800 psi. It is not anticipated that abnormal temperatures will be encountered; nor that any other abnormal hazards such as H₂S will be encountered in this area.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

Please refer to the Monument Butte Field SOP.

**INLAND PRODUCTION COMPANY
CASTLE DRAW #3-4-9-17
NE/NW SECTION 4, T9S, R16E
DUCHESNE COUNTY, UTAH**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Inland Production Company well location site Castle Draw 3-4-9-17 located in the NE 1/4 NW 1/4 Section 4, T9S, R17E, S.L.B. 7 M. Duchesne County, Utah:

Proceed westerly out of Myton, Utah along Highway 40 - 1.6 miles \pm to the junction of this highway and UT State Hwy 53; proceed southeasterly along this road 13.8 miles \pm to its junction with a dirt road to the east; proceed easterly approximately 0.25 miles to the beginning of the proposed access road.

2. PLANNED ACCESS ROAD

See Topographic Map "B" for the location of the proposed access road.

3. LOCATION OF EXISTING WELLS

Refer to Exhibit "D".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Please refer to the Monument Butte Field Standard Operating Procedure (SOP).

5. LOCATION AND TYPE OF WATER SUPPLY

Please refer to the Monument Butte Field SOP. See Exhibit "C".

6. SOURCE OF CONSTRUCTION MATERIALS

Please refer to the Monument Butte Field SOP.

7. METHODS FOR HANDLING WASTE DISPOSAL

Please refer to the Monument Butte Field SOP. See Exhibit "E".

8. ANCILLARY FACILITIES

Please refer to the Monument Butte Field SOP.

9. WELL SITE LAYOUT

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). Refer to Exhibit "E".

10. PLANS FOR RESTORATION OF SURFACE

Please refer to the Monument Butte Field SOP.

11. SURFACE OWNERSHIP - Bureau Of Land Management

12. OTHER ADDITIONAL INFORMATION *Archaeological Survey & Pipeline ROW*

The Archaeological Cultural Resource Survey Report is attached.

Inland Production Company requests that a pipeline ROW be granted to the Castle Draw #3-4-9-17 for a 4" poly fuel gas line, and a 6" poly gas gatherline line. Both lines will be run on surface, adjacent to the existing road-way; the route will follow existing roads where possible. Inland requests that a 30' width for the ROW and an additional 30' width for working surface as necessary. Refer to Topographic Map "B".

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

Name: Cheryl Cameron
Address: P.O. Box 790233 Vernal, Utah 84079
Telephone: (435) 789-1866

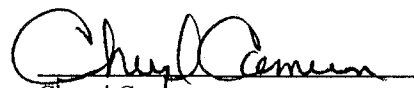
Certification

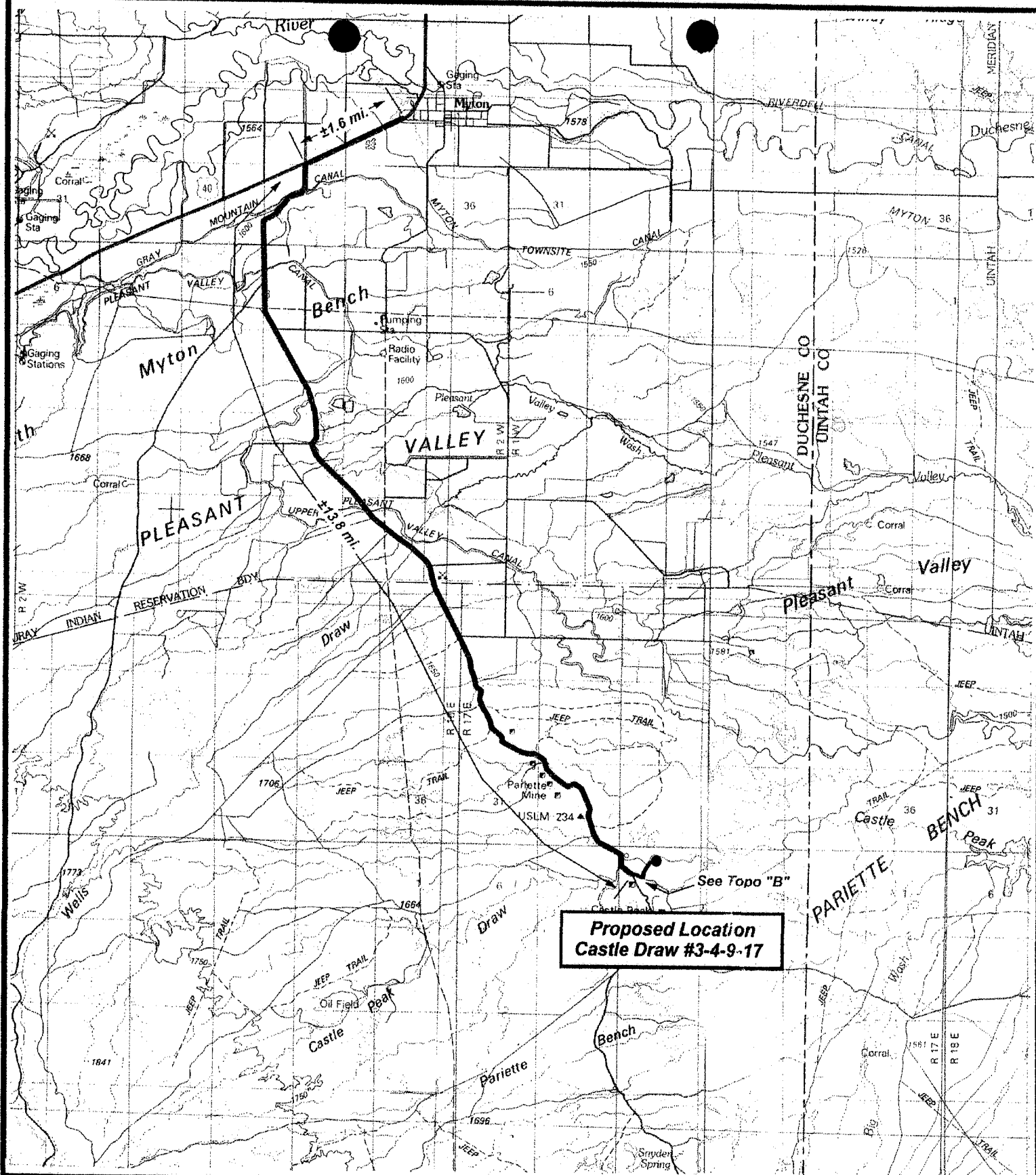
Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of well #3-4-9-17 NE/NW Section 4, Township 9S, Range 17E: Lease UTU-75038 Duchesne County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

I hereby certify that the proposed drillsite and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Inland Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

3/26/98

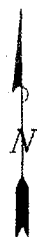
Date


Cheryl Cameron
Regulatory Compliance Specialist



RESOURCES INC.

CASTLE DRAW #3-4-9-17
SEC. 4, T9S, R17E, S.L.B.&M.
TOPO "A"



Tri-State
Land Surveying Inc.
 (801) 781-2501
 38 WEST 100 NORTH VERNAL, UTAH 84078

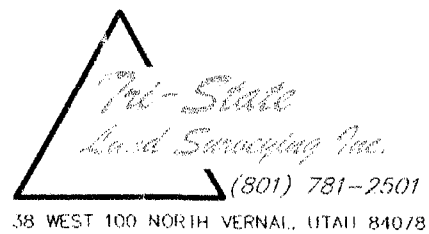
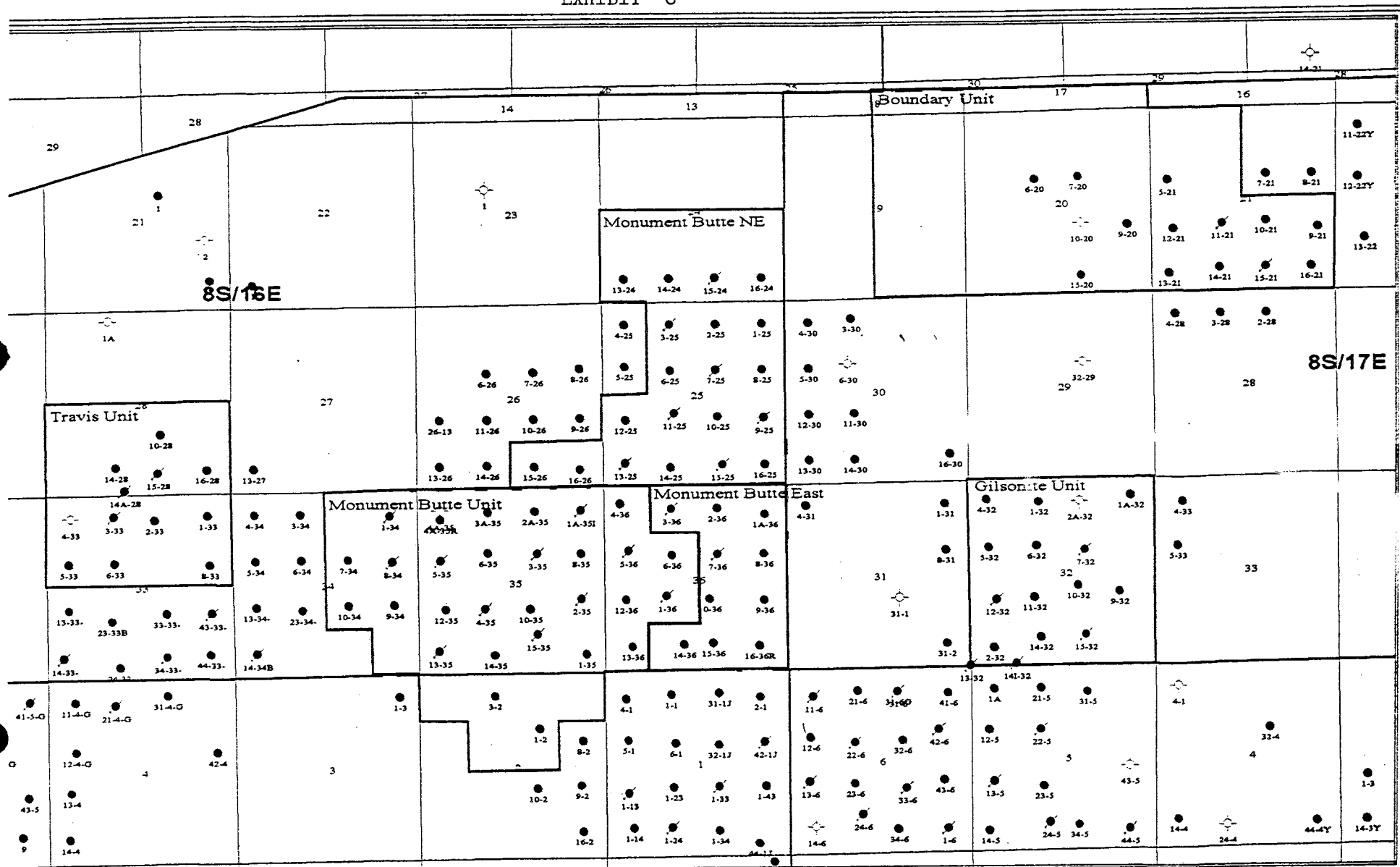



EXHIBIT "C"





475 17th Street Suite 1500
 Denver, Colorado 80202
 Phone (303) 292-0900

Regional Area

Duchess County, Utah

Date: 4/18/97

J.A.

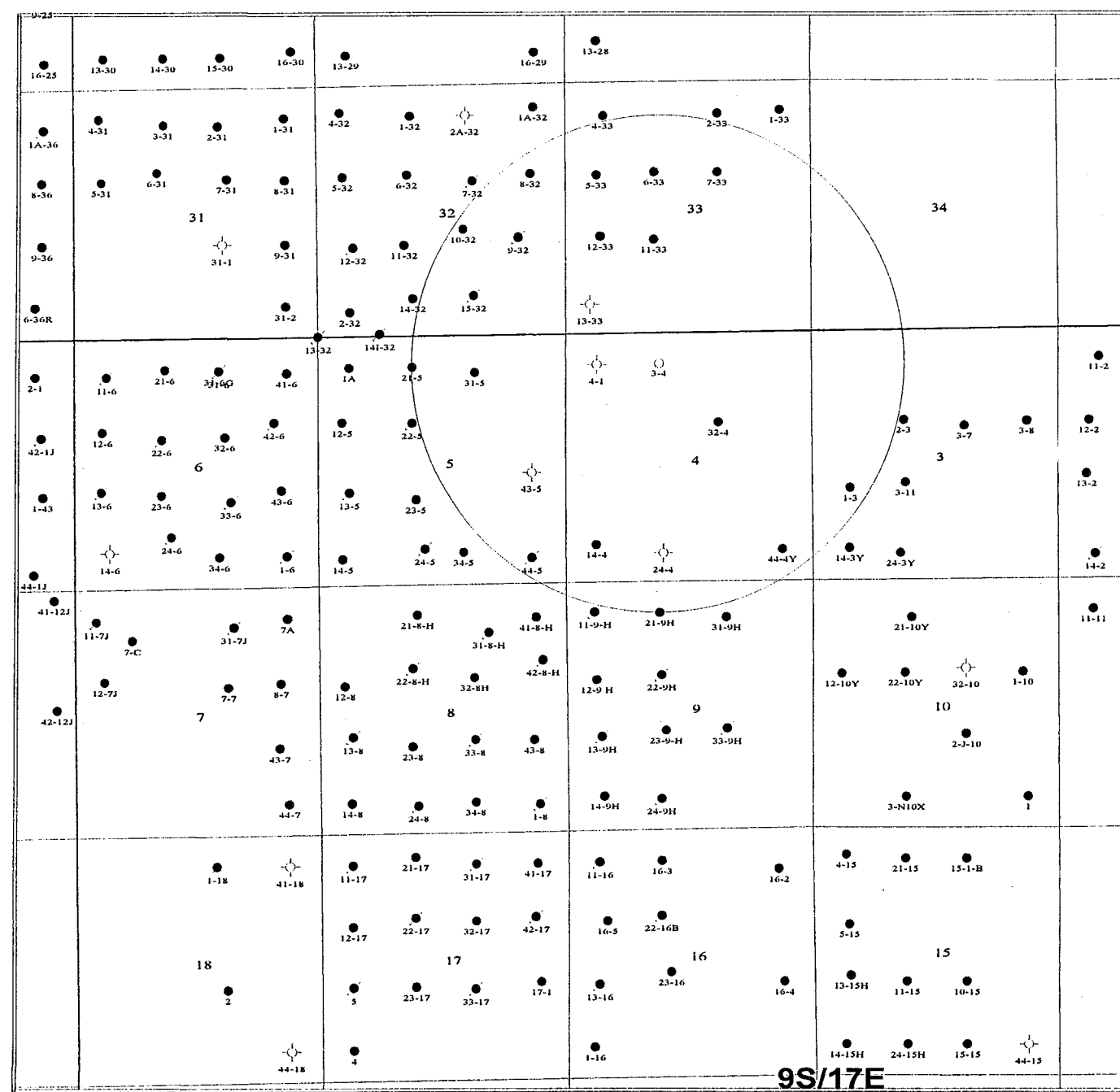


EXHIBIT "D"

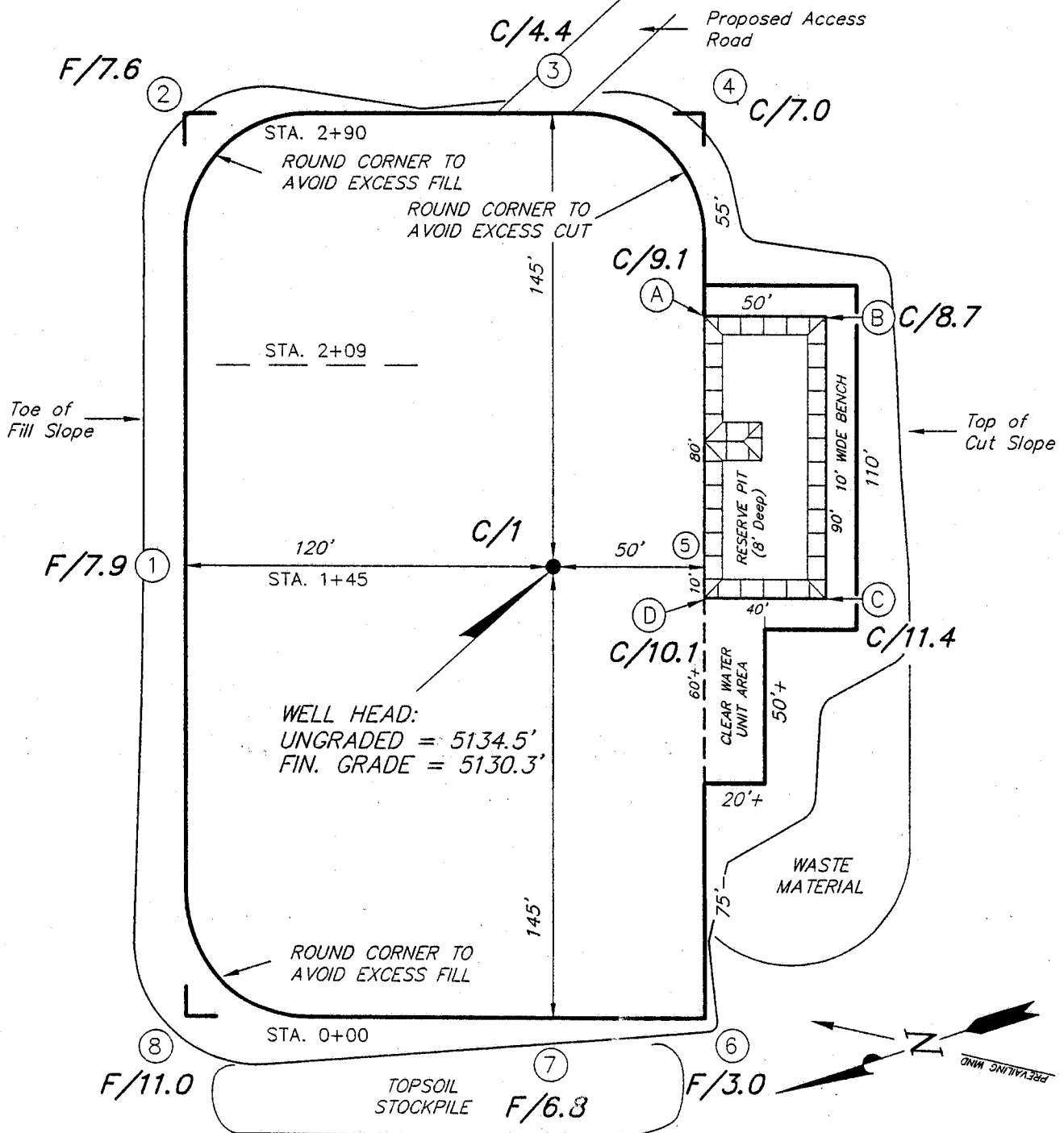
INLAND PRODUCTION COMPANY

ONE MILE RADIUS
Castle Draw #3-4

John Anderson	3/10/98
Scale 1:8044.37	

INLAND PRODUCTION COMPANY

CASTLE DRAW #3-4-9-17
SEC. 4, T9S, R17E, S.L.B.&M.



REFERENCE POINTS

170' NORTHEAST = 5118.6'
230' NORTHEAST = 5116.7'
195' SOUTHEAST = 5132.5'
245' SOUTHEAST = 5131.1'

SURVEYED BY: DS NW

DRAWN BY: BRW

DATE: 3/12/98

SCALE: 1" = 50'

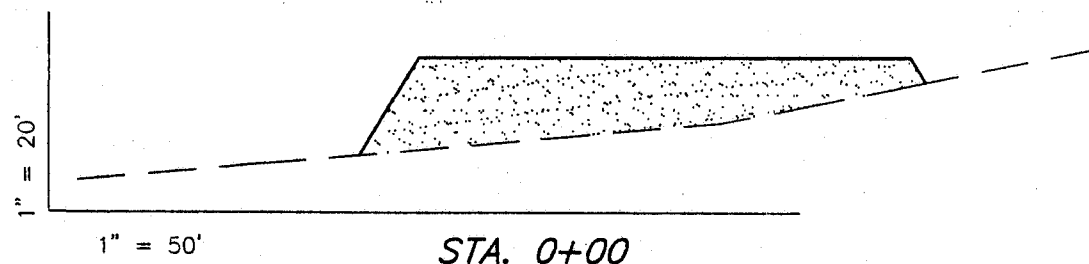
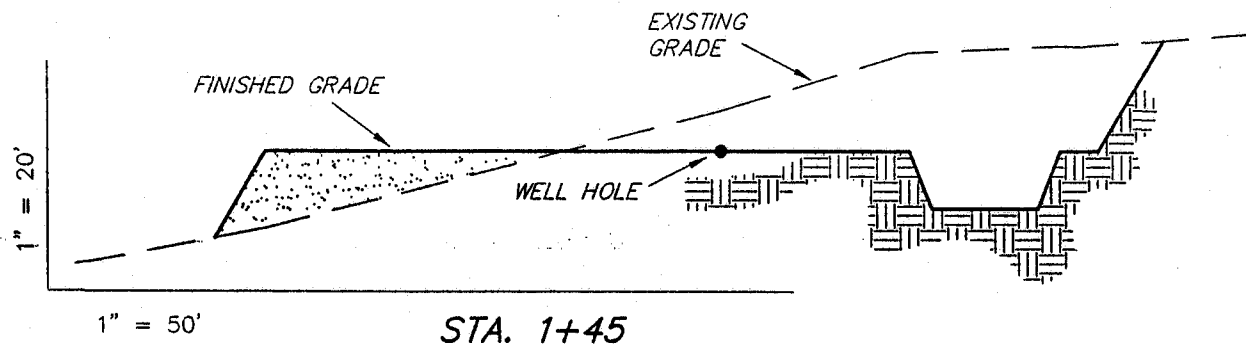
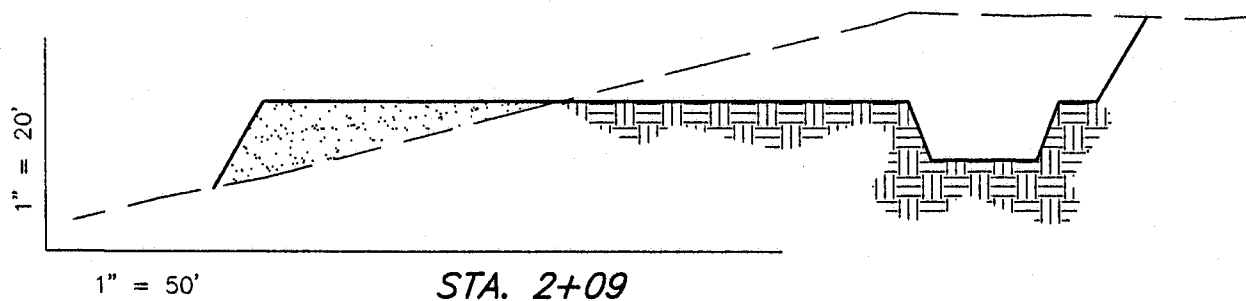
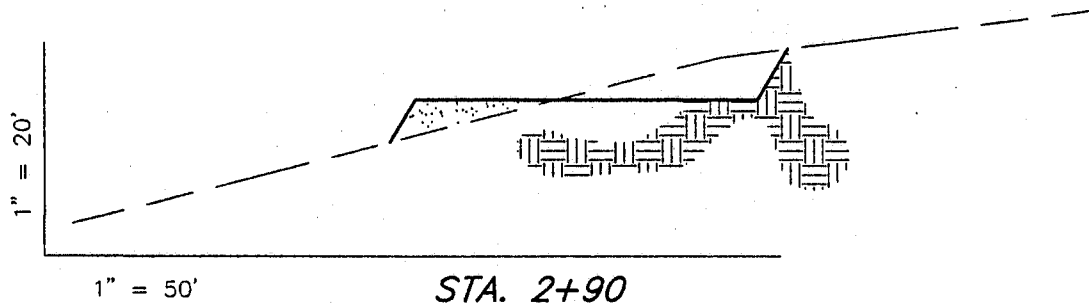
FILE: 3-4

Tri State
Land Surveying, Inc.
(801) 781-2501

78 WEST 100 NORTH TERNAL, UTAH 84078

CROSS SECTIONS

CASTLE DRAW #3-4-9-17



APPROXIMATE YARDAGES

CUT = 6,530 Cu. Yds.

FILL = 6,520 Cu. Yds.

PIT = 560 Cu. Yds.

6" TOPSOIL = 1,030 Cu. Yds.

Tri State
Land Surveying, Inc.
(801) 781-2501
38 WEST 100 NORTH, VERNAL, UTAH 84078

Well No.: Castle Draw 3-4-9-17

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Castle Draw 3-4-9-17

API Number:

Lease Number: UTU-75038

Location: NENW Sec. 4, T9S, R17E

GENERAL

Access pad from SW, off of 6-4 well location.

CULTURAL RESOURCES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

PALEONTOLOGICAL RESOURCES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

SOILS, WATERSHEDS, AND FLOODPLAINS

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

WILDLIFE AND FISHERIES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

THREATENED, ENDANGERED, AND OTHER SENSITIVE SPECIES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

FERRUGINOUS HAWK: In the event that this well becomes a producing well, it must be equipped with a multi-cylinder engine or hospital muffler to reduce noise levels.

OTHER

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/03/98

API NO. ASSIGNED: 43-013-32073

WELL NAME: CASTLE DRAW 3-4-9-17
OPERATOR: INLAND PRODUCTION COMPANY (N5160)
CONTACT: Cheryl Cameron (435) 789-1866

PROPOSED LOCATION:
NENW 04 - T09S - R17E
SURFACE: 0811-FNL-2267-FWL
BOTTOM: 0811-FNL-2267-FWL
DUCHESNE COUNTY
MONUMENT BUTTE FIELD (105)

LEASE TYPE: FED
LEASE NUMBER: U-75038
SURFACE OWNER: BLM

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

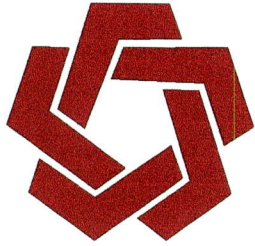
☒ Plat
☒ Bond: Federal ☒ State[] Fee[]
(No. #4488944)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190-5(B)
☒ Water Permit
(No. Johnson Water District)
☒ RDCC Review (Y/N)
(Date: _____)
N/A St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3. Unit _____
___ R649-3-2. General
☒ R649-3-3. Exception
___ Drilling Unit
Board Cause No: _____
Date: _____

COMMENTS: * Standard Operating Practices (SOP) separate file.
* Reg. "Except. Loc." info. 4-14-98. (Rec'd 6-8-98)

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: INLAND PRODUCTION CO. (N5160)

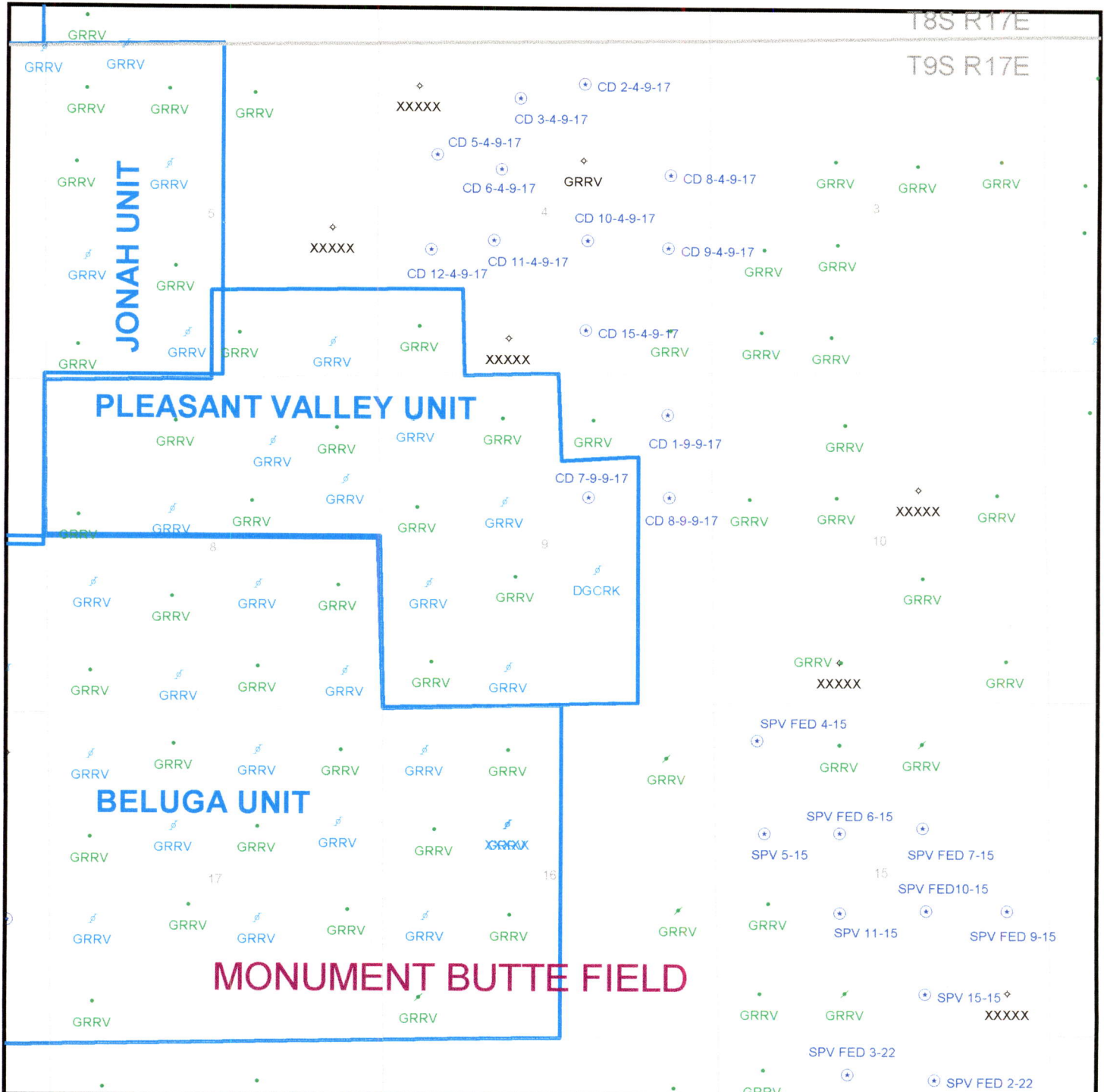
FIELD: MONUMENT BUTTE (105)

SEC. 4 & 9, TWP. 9S, RNG. 17E,

COUNTY: DUCHESNE UAC: R649-3-2 ~~R649-2-3~~ PLEASANT VALLEY UNIT

N/A

DIVISION OF OIL, GAS & MINING

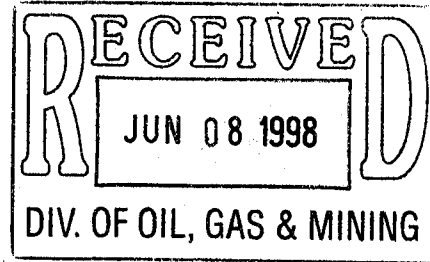


DATE PREPARED:
6-APR-1998



June 4, 1998

Mr. Mike Hebertson
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114



RE: Application for Location Exception
Castle Draw Fed. #3-4
T9S, R17E, S.L.M.
Section 4: NENW
Duchesne County, Utah

Dear Mr. Hebertson:

Inland Production Company hereby requests administrative approval for a location exception to Rule R649-3-2, which governs the location of wells in the State of Utah.

The location of wells under Rule No. R649-3-2 should be in the center of the 40 acre quarter/quarter section with a 200 foot tolerance. Inland's proposed well is planned to be drilled on the NW quarter at 810.6' FNL, 2,266.7' FEL of section 4, T9S R17E. This location was made necessary because of topographical conditions.

Inland is the only working interest owner within the 460 foot radius. Attached is an Affidavit to that affect and a plat identifying the 460' radius. The plat also identifies current well status.

Should you have any questions or concerns, please feel free to call me at (303) 893-0102.

Sincerely yours,

INLAND PRODUCTION COMPANY

Chris A Potter, CPL
Manager of Land

CC: Mr. Howard Cleavinger
Bureau of Land Management, Vernal District Office
170 South 500 East
Vernal Utah 84078

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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

June 10, 1998

Inland Production Company
P.O. Box 790233
Vernal, Utah 84079

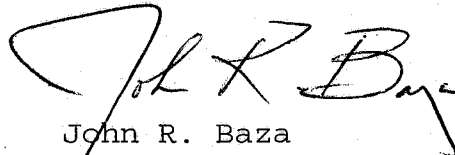
Re: Castle Draw 3-4-9-17 Well, 811' FNL, 2267' FWL, NE NW,
Sec. 4, T. 9 S., R. 17 E., Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-32073.

Sincerely,



John R. Baza
Associate Director

lwp

Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

Operator: Inland Production Company
Well Name & Number: Castle Draw 3-4-9-17
API Number: 43-013-32073
Lease: U-75038
Location: NE NW Sec. 4 T. 9 S. R. 17 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours prior to spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

3. Reporting Requirements

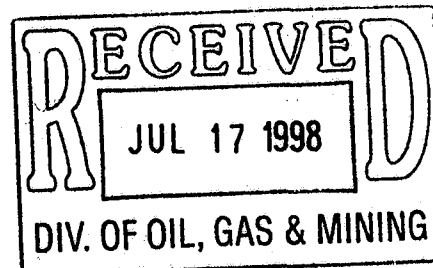
All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supercede the required federal approval which must be obtained prior to drilling.



July 15, 1998

Mr. Mike Hebertson
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114



RE: Applications for Location Exceptions
Castle Draw Fed. #8-4, #3-4, #12-4
T9S, R17E, S.L.M.
Section 4
Duchesne County, Utah

8-4/43-013-32077
3-4/43-013-32073
12-4/43-013-32082

Dear Mr. Hebertson:

On June 4th, Inland Production Company requested administrative approval for location exception to Rule R649-3-2, for those wells referenced above. This letter is a follow-up to those individual requests, seeking the approval by the State of Utah.

Please advise Inland of the status of the Division's approval as soon as it is convenient to do so. If additional information needed, we will be happy to accommodate your office.

Should you have any questions or concerns, please feel free to call me at (303) 893-0102.

Sincerely yours,

INLAND PRODUCTION COMPANY

Chris A Potter, CPL
Manager of Land

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, Utah 84078-2799
<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400
Fax: (435) 781-4410

IN REPLY REFER TO:
3160
UT08300

August 9, 2000

Inland Production Company
Route 3 Box 3630
Myton UT 84052

Re: Notification of Expiration
Well No. Castle Draw 3-4-9-17
Lot 3, Section 4, T9S, R17E
Lease No. U-75038
Duchesne County, Utah

Gentlemen:

43-013-32073

The Application for Permit to Drill the above-referenced well was approved on July 21, 1998. Inland Production Company requested an extension of the original APD approval for an additional year. The request was reviewed and the extension approved until July 21, 2000. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M

DOGm
'LA'
DATE

RECEIVED

AUG 11 2000

DIVISION OF
OIL, GAS AND MINING